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Defalcation in the Provincial Co-operative Marketing Society, Madras.

* 311 *Q.*—SRI P. RANGASWAMI REDDIAR : Will the Hon. the Minister for Health be pleased to state—

(*a*) whether about $1\frac{1}{2}$ lakhs of rupees were defalcated in the Provincial Co-operative Marketing Society, Madras;

(*b*) if so, the designations of persons concerned in the said defalcation;

(*c*) whether the said persons were proceeded against and made responsible for the amount;

(*d*) how much amount was spent in taking action against office-bearers; and

(*e*) whether any amount was realized from them, and if so, how much?

THE HON. SRI A. B. SHETTY :—" (*a*) Yes, Sir. The amount defalcated is estimated at about Rs. 1·99 lakhs.

" (*b*) The persons concerned were (1) the paid Secretary, (2) the cashier, (3) main godown-keeper, (4) his assistant and (5) the godown-keeper of the Triplicane Branch.

" (*c*) Yes, Sir. Criminal cases were filed against the persons concerned. The society has also filed arbitration references for the recovery of a sum of Rs. 1 lakh against the persons concerned, and their movable properties have been conditionally attached. As the society wanted to prove the claim with the records, which have been filed in the High Court in connexion with the appeal against the conviction of some of these persons, the arbitration references have been adjourned. The registration of the society has since been cancelled. As soon as the society's records are received back, the liquidator will file claims for the balance of the amount involved in the misappropriation.

" (*d*) Only a sum of Rs. 80–15–0 has so far been spent in taking action against the ex-employees.

" (*e*) No amount has been realized so far."

SRI P. RANGASWAMI REDDIAR :—" Am I to understand that the society has been dissolved and if so, may I know what happened to the reserve fund, the benefit fund and other funds of the society? "

THE HON. SRI A. B. SHETTY :—" The registration of the society has been cancelled. I have no information about other matters."

SRI M. NARAYANA KURUP :—" The Hon. Minister said that claims would be filed after the receipt of the records from the Court. If in the meanwhile the claims become time-barred, may I know what the Hon. Minister proposes to do? "

THE HON. SRI A. B. SHETTY :—" I have no information about that matter. I shall have to look into it."

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SRI K. VINAYAKAM :—" Is it not a fact that the Registrar of Co-operative Socities is the ex-officio Director of this Marketing Society? If so, what was he doing all the time when defalcation to the tune of Rs. 1½ lakhs was being carried on in the society? After finding out that there was defalcation, is it proper on the part of the Registrar to depute a junior officer working under him to go through the accounts and find out who was responsible for it? Will this junior officer find fault with the senior officer, viz., the Registrar of Co-operative Societies who had slept over this matter for a long time? "

MR. SPEAKER :—" Is this matter before a court? "

SRI K. VINAYAKAM :—" No, Sir."

THE HON. SRI A. B. SHETTY :—" It is over, Sir."

MR. SPEAKER :—" Then, the Hon. Minister may answer the question."

THE HON. SRI A. B. SHETTY :—" In February 1952, the Additional Joint Registrar inspected the Provincial Co-operative Marketing Society and discovered some defalcation. Immediately, a Co-operative Sub-Registrar was deputed to investigate the misappropriation and also to hold a thorough enquiry into the affairs of the society. As a result of this enquiry, this misappropriation was discovered. The matter was then placed in the hands of the Police and they filed six cases against the employees and they (employees) have been punished."

SRI P. RANGASWAMI REDDIAR :—" The Hon. Minister said that no amount was realized so far. May I know what happened to the security deposits of those who misappropriated the society's money and what happened to the assets and liabilities of the society? May I also know why no action was taken against the directors of the society? "

THE HON. SRI A. B. SHETTY :—" I cannot give an answer off-hand."

DR. K. B. MENON :—" Since defalcations are so widespread and numerous in the department and since this matter has been raised on the floor of the Assembly a number of times (Mr. Speaker: Almost every day!), we are inclined to suspect that there is something radically wrong with the department. Under the circumstances, will the Hon. Minister concerned institute an enquiry into this matter and submit a report to the House? "

THE HON. SRI A. B. SHETTY :—" I have answered a similar question yesterday on the floor of the House. These questions direct the search-light on a few dark spots. I may tell the hon. Members that the co-operative movement has made a very great progress in this State. Eminent co-operators

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from other States have paid high compliments to the Madras State which is leading other States in the matter of co-operation.''

Half-yearly Irrigation Conferences.

* 312 *Q.*—SRI K. ARANGANATHAN : Will the Hon. the Minister for Public Works be pleased to state the purpose of holding Half-yearly Irrigation Conferences?

THE HON. RAJA SRI SHANMUGA RAJESWARA SETHUPATHI :—'' To afford increased opportunities for consultation between ryots and Government officers on irrigation matters, to discuss difficulties experienced by the ryots and consider possible prompt remedial measures, where necessary and to explain to ryots the problem of equitable distribution of the available water in times of scarcity and obtain their co-operation in introducing and working a turn system.''

SRI K. ARANGANATHAN :—'' Is the Hon. Minister aware that only matters relating to major irrigation schemes are discussed in the Conference and the subject of minor irrigation schemes is not at all discussed there? As the Minor Irrigation Supervisors are not attending the Conference at present, will the Government consider the question of asking them also to attend the Conference? As I understand that many of the recommendations of the Conference are not implemented, will the Government issue instructions to the authorities concerned that they should implement the recommendations of the Conference without delay? ''

THE HON. RAJA SRI SHANMUGA RAJESWARA SETHUPATHI :—'' Sir, it is not correct to say that many of the recommendations of the Conference have not been implemented. As a matter of fact, many of the schemes recommended by the Conference have been executed and there are only five schemes which have not been executed in 1952 and twelve schemes in 1953. As for associating the Minor Irrigation Supervisors with the Conference, we shall have to examine the suggestion of the hon. Member.''

SRI S. THINAKARASAMI THEVAR :—'' Sir, may I know from the Hon. Minister for Public Works whether the Government have given strict instructions to the authorities concerned to carry out the suggestions of the non-official members of the Irrigation Conference? ''

THE HON. RAJA SRI SHANMUGA RAJESWARA SETHUPATHI :—'' All those suggestions and recommendations come to the Government who review them. The Government do not give any such instructions to the officers as mentioned by the hon. Member.''

SRI S. SWAYAMPRAKASAM :—'' From my experience, I find that due notice is not given to the ryots. Will the Government